

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 333 - SB 388

March 25, 2011

SUMMARY OF BILL: Establishes the maximum value that may be awarded to a party owning or holding an equitable interest in property sold for delinquent taxes who did not receive notice of the sale in sufficient time to protect the party's interest at the owner's prorated portion of the value of the property at the time of purchase at auction less the taxes owed at the time of sale plus interest on the sum from the time of the claim. Limits the party to this remedy regardless of whether the delinquent tax attorney or county trustee failed to notify all parties and specifies that the tax sale will not be invalidated if the person claiming failure of process is compensated at the established maximum value.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- The provisions of this bill only apply to Shelby County.
- According to the Shelby County Trustee, there are approximately four tax sales each year. Each sale auctions approximately 200 properties for the delinquent amount of city and county taxes and not for the total assessed or appraised value.
- Based on information provided by the Shelby County Trustee, the number of sales for which any party owning or holding an equitable interest in the property failed to receive notice is unknown but estimated to be less than one percent $[(4 \times 200 \times .01) = 8 \text{ sales}]$ per year.
- Because properties are sold for the total amount of taxes owed and not the assessed or appraised value and because the maximum value that may be awarded to any party holding an equitable interest is capped, estimate assumes that equitable interest holders will not receive a significant award.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

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